

Massachusetts Acute Hospital and Health System Financial Performance

Preliminary Update on Fiscal Year 2020 Data



APRIL 2021

About this Report

The Center for Health Information and Analysis (CHIA) reports on the financial performance of the Commonwealth's acute care hospitals, associated hospital health systems (HHS), and affiliated physician organizations. This report provides a preliminary update on profitability, liquidity, and solvency for fiscal year 2020 for hospitals with a fiscal year end date of June 30 or September 30. Data for hospitals with a fiscal year end of December 31 is not due until April 10 and therefore could not be included in this preliminary report. This report includes 49 of the 61 acute hospitals in Massachusetts.

This report incorporates the financial impact of COVID-19 on hospitals during fiscal year 2020. Governor Baker declared a state of emergency on March 10, 2020. Federal COVID-related funding was distributed in April, May, June, and July to hospitals as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. A portion of this funding was reported as operating revenue and is reflected in the data as such. State relief funds were also distributed to hospitals during this time period.

Including HHS and affiliated physician organizations helps develop a more complete understanding of the financial performance of an acute hospital in the context of the larger health system within which it operates. This report includes 22 HHS required to submit data.

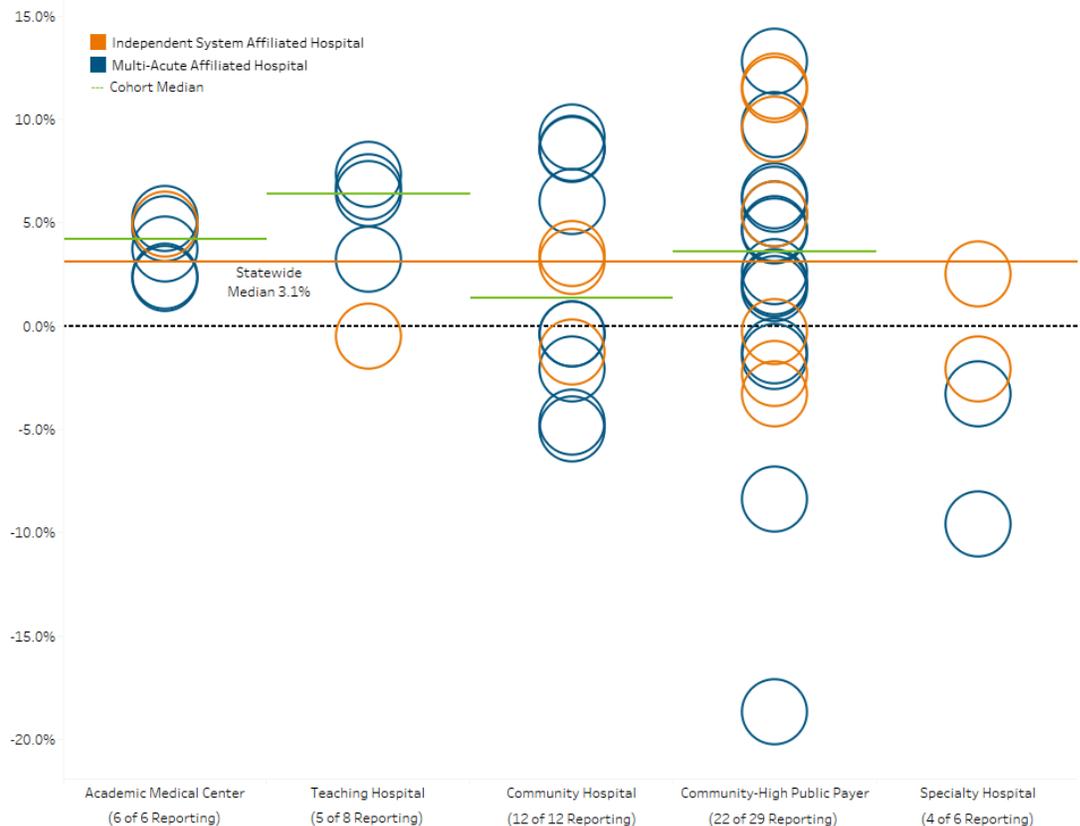
Key Findings

Profitability: Hospitals

Overall acute hospital profitability,¹ as measured by the median total margin, was 3.1%, a decrease of 0.4 percentage points in comparison to the prior fiscal year (figure 2).

In fiscal year (FY) 2020, 65% of these hospitals (32 of 49) reported positive total margins. These margins include \$1.8 billion in COVID-19 relief funding reported as operating revenue.

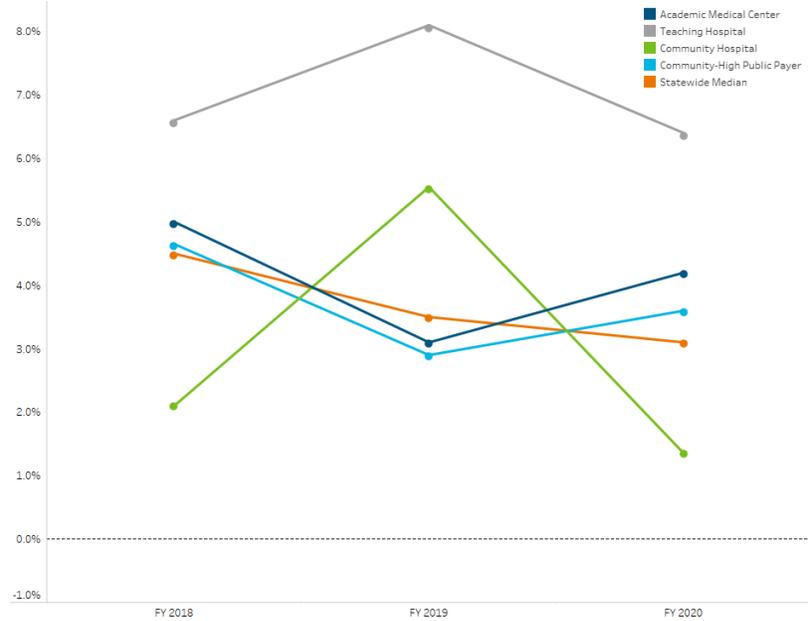
Figure 1: Acute Hospital Total Margin by Hospital Type



¹ Profitability or profit indicates an excess of revenues over expenses.

The Academic Medical Center and community-High Public Payer cohorts² experienced an increase in profitability compared to last fiscal year, while the teaching and community hospital cohorts reported a decrease in profitability. The community hospital cohort reported the largest change in profitability, a decrease of 4.2 percentage points, and the lowest median total margin. The teaching hospital cohort reported the highest median total margin, which is consistent with prior years.

Figure 2: Median Total Margin by Hospital Cohort

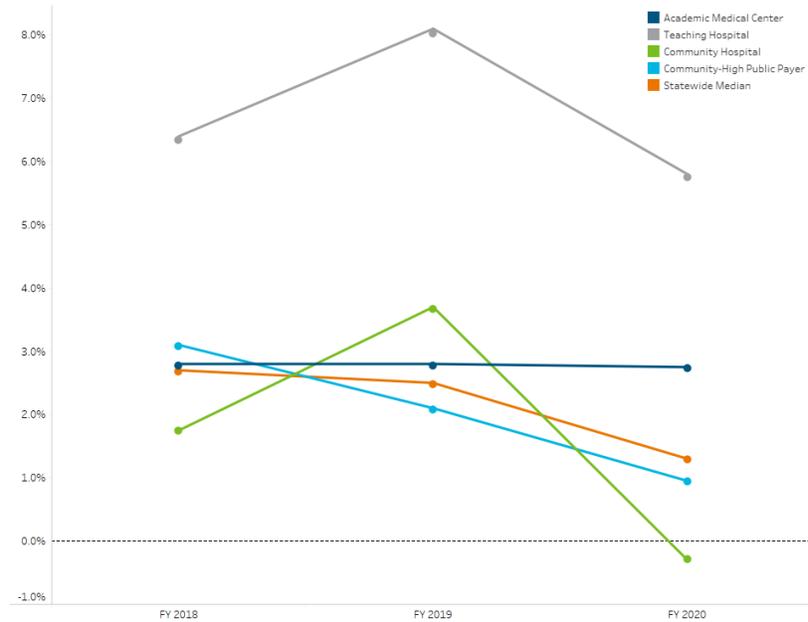


	FY 2018	FY 2019	FY 2020
Statewide Median	4.5%	3.5%	3.1%
AMC (6 of 6 Reporting)	5.0%	3.1%	4.2%
Teaching Hospital (5 of 8 Reporting)	6.6%	8.1%	6.4%
Community Hospital (12 of 12 Reporting)	2.1%	5.6%	1.4%
Community-HPP (22 of 29 Reporting)	4.7%	2.9%	3.6%

² Acute hospital cohort designations are Academic Medical Center (AMC), Teaching Hospital, Community Hospital, and Community-High Public Payer (HPP). Specialty Hospitals are not considered a cohort. For further descriptions of the cohorts and specialty hospitals, see the technical appendix.

The median operating margin in FY 2020 was 1.3%, a decrease of 1.2 percentage points in comparison to the prior fiscal year. The teaching, community, and community-HPP cohorts experienced a decrease in median operating margin, while the AMC cohort remained stable year over year. The community hospital cohort was the only cohort to report a negative median operating margin.

Figure 3: Median Operating Margin by Hospital Cohort



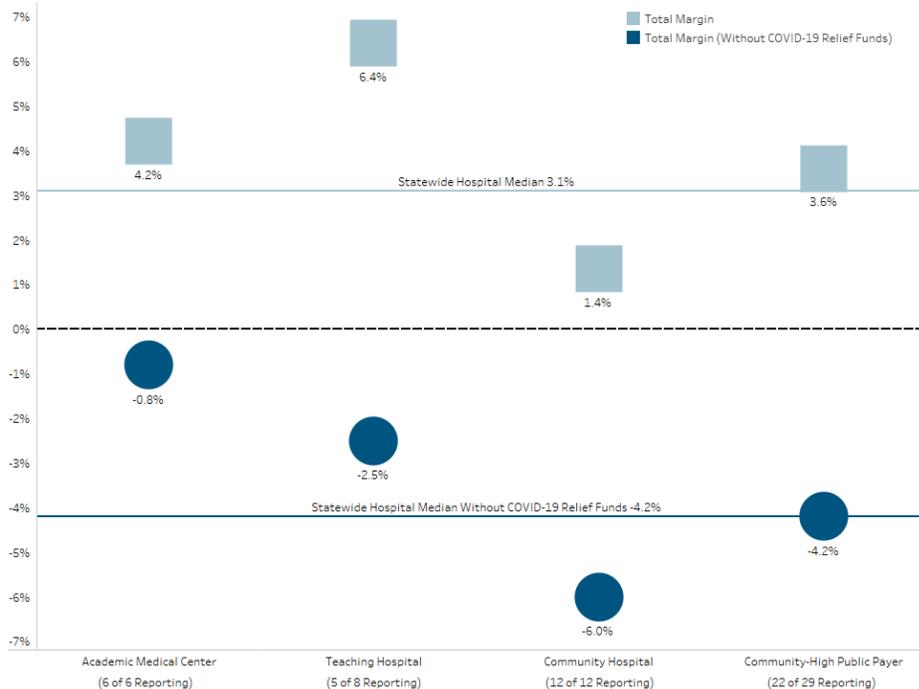
	FY 2018	FY 2019	FY 2020
Statewide Median	2.7%	2.5%	1.3%
AMC (6 of 6 Reporting)	2.8%	2.8%	2.8%
Teaching Hospital (5 of 8 Reporting)	6.4%	8.1%	5.8%
Community Hospital (12 of 12 Reporting)	1.8%	3.7%	-0.3%
Community-HPP (22 of 29 Reporting)	3.1%	2.1%	1.0%

The operating margins also include the COVID-19 relief funding reported as operating revenue.

Impact of COVID-19 Relief Funds

Hospitals reported \$1.6 billion in federal funding and \$204.6 million in state funding in their operating revenue in FY 2020, which improved their operating income and profitability margins. If these COVID-19 relief funds had not been distributed, the median total margin would have been -4.2%. Additionally, all hospital cohorts would have experienced negative median total margins.

Figure 4: Median Total Margin by Hospital Cohort, With and Without COVID-19 Relief Funds



Operating Revenue and Expenses

Aggregate total operating revenue increased by \$791.5 million (2.6%) when compared to the prior fiscal year. This can be attributed to federal and state COVID-19 relief funds reported in FY 2020, which bolstered hospitals' operating revenue.

Aggregate net patient service revenue, the most significant component of operating revenue, decreased by \$1.4 billion (-5.6%), while aggregate expenses increased \$1.3 billion (4.4%) in FY 2020 as compared to FY 2019.

Figure 5: Hospital Operating Revenue and Expenses Trends

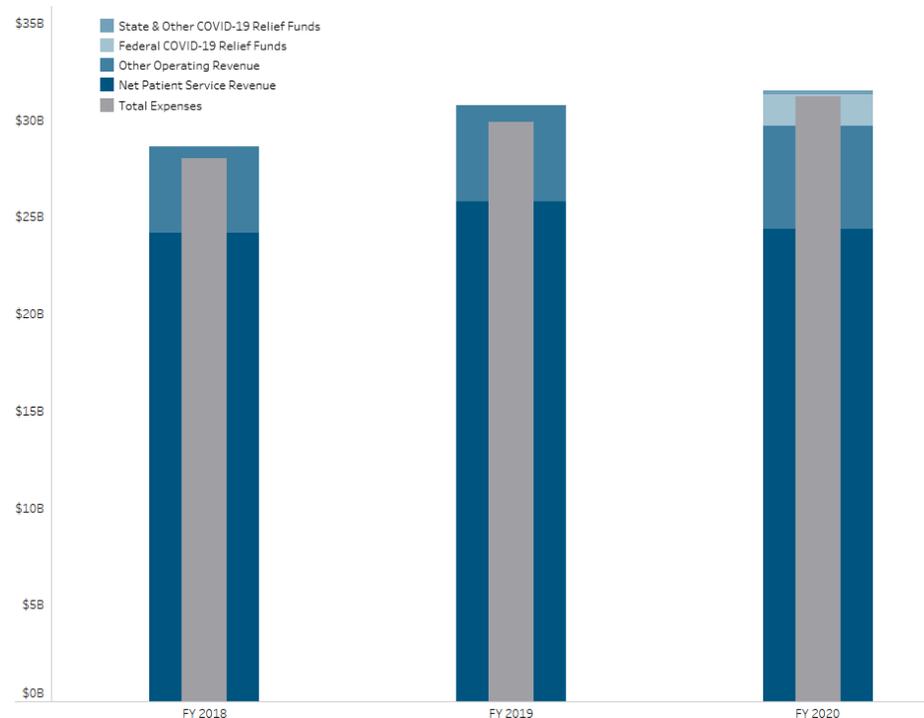
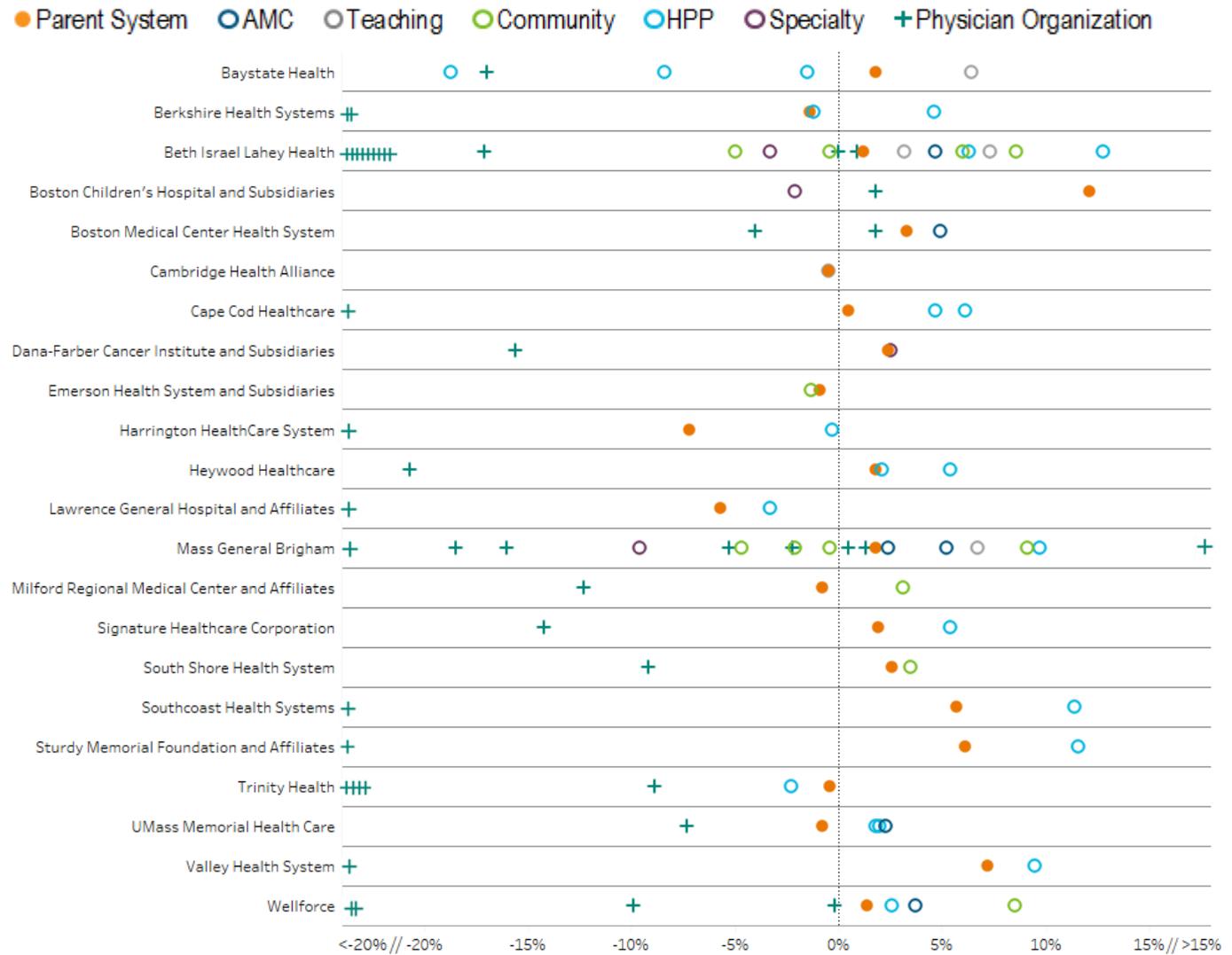


Figure 6: Total Margin of Hospital Health Systems, Acute Hospitals, and Affiliated Physician Organizations



Note: Some entities had margins of <-20% or >15%. In order to display all entities in one graph, there is an axis break at -20% and 15% to account for those organizations. For more details, see the databook.

Profitability: Hospital Health Systems and Physician Organizations

Profitability at the hospital health systems also declined during this time period. In FY 2020, 14 of the 22 hospital health systems included in this report were profitable and reported a positive total margin, while the remaining eight systems had negative total margins. In the prior fiscal year, 19 of 22 HHS reported positive total margins.

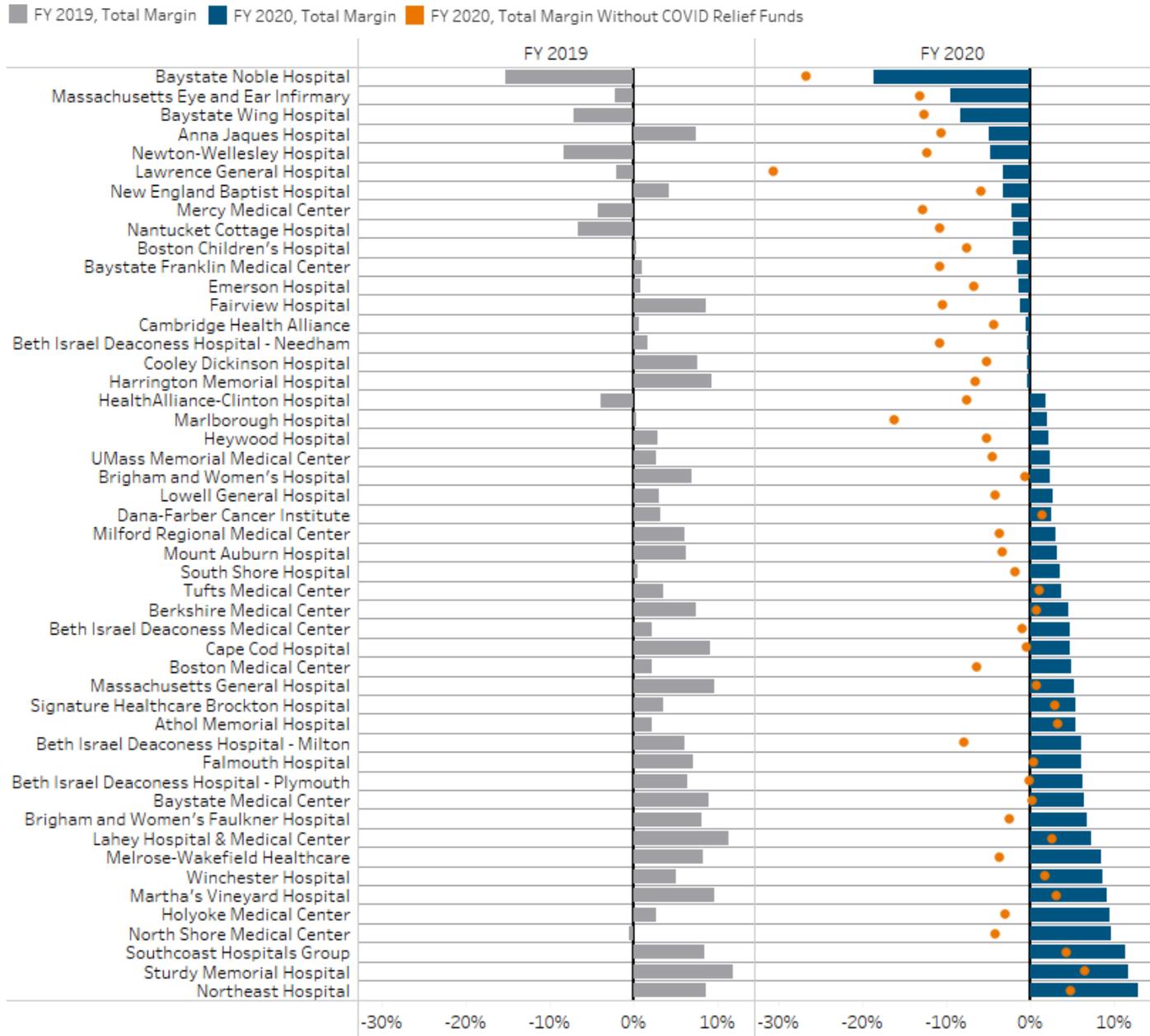
Forty of 47 affiliated physician organizations reported a net loss for FY 2020.

Liquidity

Current ratio measures short-term financial health and indicates whether an entity is able to meet current liabilities with current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by existing current assets and indicates short-term financial stability.

Twenty-one of 22 hospital health systems reported a current ratio above 1.0 for FY 2020, an indication that they have sufficient current assets to meet their current liabilities. Additionally, 46 of the 49 hospitals reported a current ratio above 1.0 (see databook for more details).

Figure 7: Comparison of Total Margin by Hospital - FY 2020 compared to FY 2019



	FY 2019	FY 2020
Profitable Hospitals	40	32
Total Hospitals Reporting	49	49

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses	Total COVID Funding Reported ⁴	COVID Funding Expected to be Repaid ⁵	Current Ratio	Net Assets
Baystate Health		12	1.4%	1.8%	\$112.9	\$44.2	\$392.2	(\$225.2)	1.9	\$1,132.0
Baystate Franklin	Community-High Public Payer	12	-0.9%	-1.5%	\$8.8	(\$1.5)	\$27.4	(\$16.1)	1.3	\$42.6
Baystate Medical Center ε	Teaching Hospital	12	5.8%	6.4%	\$91.0	\$95.2	\$319.6	(\$181.4)	2.3	\$856.4
Baystate Noble	Community-High Public Payer	12	-18.7%	-18.7%	\$3.6	(\$10.1)	\$15.6	(\$9.5)	0.7	\$25.2
Baystate Wing	Community-High Public Payer	12	-8.6%	-8.4%	\$3.4	(\$7.3)	\$18.8	(\$13.6)	1.0	\$38.6
Baystate Medical Practices	Physician Organization	12	-16.5%	-17.0%	\$6.1	(\$57.8)	\$10.8	(\$4.7)	-	-
Berkshire Health Systems		12	-5.1%	-1.4%	\$27.5	(\$9.6)	\$122.7	(\$94.6)	1.7	\$500.9
Berkshire Medical Center	Community-High Public Payer	12	0.7%	4.6%	\$20.4	\$24.9	\$102.4	(\$81.5)	1.6	\$457.2
Fairview Hospital	Community-High Public Payer	12	-5.3%	-1.2%	\$5.6	(\$0.8)	\$15.3	(\$9.6)	1.2	\$38.6
Berkshire Faculty Services	Physician Organization	12	-64.8%	-64.8%	\$1.5	(\$29.2)	\$5.0	(\$3.5)	-	-
Berkshire Orthopaedic Associates	Physician Organization	12	-41.0%	-41.0%	\$0.0	(\$4.9)	\$0.0	\$0.0	-	-
Beth Israel Lahey Health⁶		12	0.5%	1.2%	\$341.9	\$73.0	\$1,047.9	(\$706.1)	2.0	\$3,053.1
Anna Jaques Hospital	Community Hospital	12	-5.7%	-5.0%	\$6.6	(\$6.4)	\$27.9	(\$21.3)	1.6	\$8.7
Beth Israel Deaconess Hospital - Milton	Community Hospital	12	6.7%	6.0%	\$17.0	\$7.9	\$37.9	(\$20.9)	1.6	\$99.7
Beth Israel Deaconess Hospital - Needham	Community Hospital	12	-0.5%	-0.4%	\$10.1	(\$0.4)	\$23.9	(\$13.8)	1.5	\$57.0
Beth Israel Deaconess Hospital - Plymouth	Community-High Public Payer	12	6.3%	6.3%	\$20.2	\$19.5	\$82.7	(\$62.6)	1.4	\$117.9
Beth Israel Deaconess Medical Center	Academic Medical Center	12	4.8%	4.7%	\$117.4	\$98.4	\$321.0	(\$203.6)	2.2	\$1,062.6
Lahey Hospital and Medical Center	Teaching Hospital	12	7.0%	7.3%	\$50.6	\$76.2	\$226.5	(\$175.9)	1.2	\$89.3
Mount Auburn Hospital	Teaching Hospital	12	2.6%	3.2%	\$20.8	\$10.6	\$64.7	(\$43.9)	2.0	\$244.0
New England Baptist Hospital	Specialty Hospital	12	-3.8%	-3.3%	\$5.1	(\$7.1)	\$40.2	(\$35.0)	2.6	\$146.2
Northeast Hospital	Community-High Public Payer	12	11.1%	12.8%	\$35.1	\$53.5	\$94.3	(\$59.2)	3.1	\$251.6
Winchester Hospital	Community Hospital	12	6.4%	8.6%	\$21.1	\$26.3	\$52.1	(\$31.0)	3.4	\$319.6
The Affiliated Physicians Group	Physician Organization	12	-38.9%	-38.9%	\$1.5	(\$33.3)	\$4.9	(\$3.5)	-	-
Community Physicians Associates	Physician Organization	12	-43.8%	-43.8%	\$0.1	(\$2.0)	\$0.2	(\$0.0)	-	-
Harvard Medical Faculty Physicians	Physician Organization	12	0.1%	0.9%	\$12.7	\$6.2	\$12.7	\$0.0	-	-
Jordan Physicians Associates	Physician Organization	12	-34.4%	-34.4%	\$0.7	(\$10.5)	\$2.7	(\$2.0)	-	-
Lahey Clinic	Physician Organization	12	-39.7%	-39.4%	\$5.9	(\$107.7)	\$17.9	(\$12.0)	-	-
Lahey Physician Community Org	Physician Organization	12	-37.6%	-37.7%	\$0.3	(\$8.5)	\$1.2	(\$0.9)	-	-
Mount Auburn Professional Services	Physician Organization	12	-41.8%	-41.8%	\$1.5	(\$32.6)	\$4.9	(\$3.4)	-	-
New England Baptist Medical Associates	Physician Organization	12	-35.8%	-35.8%	\$0.3	(\$3.8)	\$0.3	\$0.0	-	-
New England Baptist Physician Group	Physician Organization	12	0.0%	0.0%	\$0.0	\$0.0	\$0.0	\$0.0	-	-
Northeast Medical Practice	Physician Organization	12	-63.1%	-63.1%	\$0.6	(\$18.3)	\$2.3	(\$1.8)	-	-
Seacoast Affiliated Group Practice	Physician Organization	12	-27.3%	-27.3%	\$0.3	(\$3.8)	\$0.3	\$0.0	-	-
Winchester Physician Association	Physician Organization	12	-17.1%	-17.1%	\$1.3	(\$7.5)	\$3.0	(\$1.8)	-	-
Boston Children's Hospital and Subsidiaries		12	-2.6%	12.1%	\$116.0	\$370.8	\$162.0	(\$45.2)	1.4	\$6,501.3
Boston Children's Hospital	Specialty Hospital	12	-2.0%	-2.1%	\$97.4	(\$38.2)	\$136.0	(\$41.7)	7.2	\$4,562.0
Physicians Organization at Children's Hospital and Foundation	Physician Organization	12	-7.4%	1.8%	\$15.6	\$10.8	\$22.8	(\$3.3)	-	-
Boston Medical Center Health System		12	1.9%	3.3%	\$213.1	\$147.4	\$362.1	(\$108.5)	1.6	\$1,819.6
Boston Medical Center ε	Academic Medical Center	12	3.1%	4.9%	\$202.0	\$92.5	\$350.5	(\$107.9)	1.8	\$1,323.9
Boston University Affiliated Physicians	Physician Organization	12	1.8%	1.8%	\$0.1	\$0.1	\$0.1	\$0.0	-	-
BMC Faculty Practice Foundation	Physician Organization	12	-3.2%	-4.0%	\$11.0	(\$15.5)	\$11.5	(\$0.5)	-	-
Cambridge Health Alliance		12	-2.4%	-0.5%	\$27.9	(\$3.4)	\$100.6	(\$30.6)	2.3	\$247.3
Cambridge Health Alliance ε	Teaching Hospital	12	-2.4%	-0.5%	\$27.9	(\$3.4)	\$100.6	(\$30.6)	2.3	\$248.5
Cape Cod Healthcare		12	-1.1%	0.5%	\$52.1	\$4.7	\$222.2	(\$170.1)	1.2	\$844.5
Cape Cod Hospital	Community-High Public Payer	12	3.7%	4.7%	\$30.3	\$27.6	\$152.0	(\$121.7)	1.4	\$488.3
Falmouth Hospital	Community-High Public Payer	12	4.1%	6.1%	\$9.8	\$10.6	\$41.3	(\$31.5)	1.0	\$237.6
Medical Affiliates of Cape Cod	Physician Organization	12	-44.4%	-44.4%	\$2.4	(\$35.5)	\$6.6	(\$4.2)	-	-
Dana-Farber Cancer Institute and Subsidiaries		12	-11.8%	2.4%	\$24.0	\$49.2	\$168.6	(\$134.1)	1.0	\$2,113.3
Dana-Farber Cancer Institute	Specialty Hospital	12	-11.9%	2.5%	\$23.3	\$50.8	\$167.4	(\$133.6)	1.1	\$2,153.2
Dana-Farber Cancer Care Network, Inc	Physician Organization	12	-15.6%	-15.6%	\$0.7	(\$3.7)	\$1.2	(\$0.5)	-	-

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses	Total COVID Funding Reported ⁴	COVID Funding Expected to be Repaid ⁵	Current Ratio	Net Assets
Emerson Health System and Subsidiaries		12	-6.2%	-0.9%	\$14.6	(\$2.6)	\$33.2	(\$18.7)	1.2	\$44.7
Emerson Hospital	Community Hospital	12	-6.6%	-1.3%	\$14.6	(\$3.5)	\$33.2	(\$18.7)	1.2	\$45.2
Harrington HealthCare System		12	-11.9%	-7.2%	\$9.3	(\$12.2)	\$26.4	(\$17.1)	2.1	\$73.1
Harrington Hospital	Community-High Public Payer	12	-5.7%	-0.3%	\$8.8	(\$0.4)	\$25.7	(\$16.9)	2.2	\$73.1
Harrington Physician Services	Physician Organization	12	-51.5%	-51.5%	\$0.5	(\$11.8)	\$0.7	(\$0.2)	-	-
Heywood Healthcare		12	1.6%	1.8%	\$11.7	\$3.4	\$37.0	(\$21.4)	1.7	\$74.3
Athol Hospital	Community-High Public Payer	12	8.6%	5.4%	\$0.7	\$1.8	\$8.8	(\$4.3)	2.0	\$22.0
Heywood Hospital	Community-High Public Payer	12	1.0%	2.1%	\$10.5	\$3.2	\$27.1	(\$16.4)	1.7	\$40.7
Heywood Medical Group	Physician Organization	12	-20.7%	-20.7%	\$0.5	(\$1.6)	\$1.1	(\$0.6)	-	-
Lawrence General Hospital and Affiliates		12	-6.4%	-5.7%	\$61.4	(\$17.2)	\$99.1	(\$36.6)	1.7	\$82.8
Lawrence General Hospital	Community-High Public Payer	12	-4.5%	-3.3%	\$61.3	(\$9.6)	\$99.0	(\$36.6)	1.5	\$93.9
Community Medical Associates	Physician Organization	12	-91.2%	-91.7%	\$0.0	(\$5.4)	\$0.0	\$0.0	-	-
Mass General Brigham		12	-2.4%	1.8%	\$555.8	\$263.5	\$1,593.7	(\$1,018.1)	2.3	\$10,620.3
Brigham & Women's Faulkner Hospital	Teaching Hospital	12	6.6%	6.7%	\$28.0	\$20.9	\$70.4	(\$41.5)	1.3	\$117.4
Brigham & Women's Hospital	Academic Medical Center	12	2.4%	2.4%	\$96.6	\$77.5	\$369.9	(\$268.9)	1.2	\$780.7
Cooley Dickinson Hospital	Community Hospital	12	-0.5%	-0.4%	\$9.1	(\$0.8)	\$37.6	(\$27.8)	0.7	\$39.8
Martha's Vineyard Hospital	Community Hospital	12	4.2%	9.1%	\$6.8	\$10.0	\$24.8	(\$18.0)	1.9	\$137.8
Massachusetts Eye & Ear Infirmary	Specialty Hospital	12	-9.0%	-9.6%	\$9.1	(\$25.4)	\$39.2	(\$29.7)	1.1	\$19.8
Massachusetts General Hospital	Academic Medical Center	12	5.2%	5.2%	\$203.0	\$236.3	\$571.2	(\$361.5)	1.2	\$2,810.6
Nantucket Cottage Hospital	Community Hospital	12	-10.5%	-2.1%	\$5.0	(\$1.3)	\$8.6	(\$3.5)	3.0	\$155.6
Newton-Wellesley Hospital	Community Hospital	12	-4.4%	-4.7%	\$37.3	(\$25.6)	\$97.2	(\$58.7)	1.0	\$127.7
North Shore Medical Center	Community-High Public Payer	12	9.4%	9.7%	\$70.2	\$51.2	\$127.8	(\$56.2)	1.6	\$331.3
Brigham and Women's Physicians Organization	Physician Organization	12	-1.7%	0.5%	\$17.4	\$4.9	\$47.2	(\$28.9)	-	-
CD Practice Associates	Physician Organization	12	-34.2%	-34.2%	\$0.7	(\$17.5)	\$0.9	\$0.0	-	-
Massachusetts Eye and Ear Associates	Physician Organization	12	-5.7%	-5.3%	\$2.4	(\$7.0)	\$2.4	\$0.0	-	-
Massachusetts General Hospital Physicians Organization	Physician Organization	12	-1.5%	1.3%	\$21.4	\$16.1	\$52.6	(\$30.4)	-	-
Nantucket Physician Organization	Physician Organization	12	78.8%	78.8%	\$0.0	\$0.6	\$0.0	\$0.0	-	-
Newton-Wellesley Physician Hospital Group	Physician Organization	12	-2.1%	-2.2%	\$1.9	(\$2.4)	\$4.8	(\$2.9)	-	-
North Shore Physicians Group	Physician Organization	12	-18.5%	-18.5%	\$3.1	(\$28.1)	\$10.1	(\$7.0)	-	-
Partners Community Physician Organization	Physician Organization	12	-18.0%	-16.0%	\$2.1	(\$20.1)	\$2.1	\$0.0	-	-
Milford Regional Medical Center and Affiliates		12	-1.7%	-0.8%	\$16.6	(\$2.3)	\$50.3	(\$33.7)	1.7	\$127.1
Milford Regional Medical Center	Community Hospital	12	2.0%	3.1%	\$15.3	\$7.3	\$46.3	(\$31.0)	1.9	\$127.8
Milford Regional Physician Group	Physician Organization	12	-12.3%	-12.3%	\$1.3	(\$9.6)	\$4.0	(\$2.7)	-	-
Shriners Hospitals for Children										
Shriners Hospital for Children - Boston	Specialty Hospital									
Shriners Hospital for Children - Springfield	Specialty Hospital									
Shriners Hospitals for Children has a fiscal year end date of December 31 and therefore their data is not due until April 10.										
Signature Healthcare Corporation		12	1.7%	1.9%	\$12.3	\$7.3	\$85.8	(\$34.3)	0.7	\$76.4
Signature Healthcare Brockton Hospital	Community-High Public Payer	12	5.2%	5.4%	\$8.3	\$17.0	\$74.2	(\$31.0)	0.7	\$67.0
Signature Healthcare Medical Group	Physician Organization	12	-14.2%	-14.2%	\$4.1	(\$10.2)	\$11.6	(\$3.3)	-	-
South Shore Health System Inc.		12	-1.1%	2.6%	\$48.8	\$21.0	\$149.7	(\$99.0)	1.3	\$449.2
South Shore Hospital	Community Hospital	12	-0.1%	3.5%	\$38.0	\$25.1	\$133.9	(\$94.0)	1.0	\$369.6
Coastal Medical Associates	Physician Organization	12	-9.2%	-9.2%	\$10.8	(\$9.0)	\$15.9	(\$5.0)	-	-
Southcoast Health Systems		12	1.9%	5.7%	\$75.9	\$66.3	\$232.1	(\$151.9)	1.2	\$866.0
Southcoast Hospital Group	Community-High Public Payer	12	8.1%	11.4%	\$70.1	\$107.6	\$206.2	(\$133.0)	1.4	\$663.4
Southcoast Physician Group	Physician Organization	12	-33.8%	-33.8%	\$5.7	(\$68.0)	\$17.8	(\$11.8)	-	-

Entity	Organization Type	Months Reported	Operating Margin	Total Margin	COVID Funding in Operating Revenue ³	Excess (Deficit) of Revenue over Expenses	Total COVID Funding Reported ⁴	COVID Funding Expected to be Repaid ⁵	Current Ratio	Net Assets
Steward Health Care										
Morton Hospital	Community-High Public Payer									
Nashoba Valley Medical Center	Community-High Public Payer									
Steward Carney Hospital ϵ	Teaching Hospital									
Steward Good Samaritan Medical Center	Community-High Public Payer									
Steward Holy Family Hospital	Community-High Public Payer									
Steward Norwood Hospital	Community-High Public Payer									
Steward Saint Anne's Hospital	Community-High Public Payer									
Steward St. Elizabeth's Medical Center ϵ	Teaching Hospital									
Steward Medical Group	Physician Organization									
Steward Health Care has a fiscal year end date of December 31 and therefore their data is not due until April 10.										
Sturdy Memorial Foundation and Affiliates		12	-3.8%	6.1%	\$13.5	\$17.6	\$13.5	\$0.0	1.1	\$475.6
Sturdy Memorial Hospital	Community-High Public Payer	12	0.9%	11.6%	\$12.5	\$27.2	\$12.5	\$0.0	1.0	\$410.0
Sturdy Memorial Associates	Physician Organization	12	-25.9%	-26.0%	\$1.0	(\$14.1)	\$1.0	\$0.0	-	-
Tenet Healthcare										
MetroWest Medical Center	Community-High Public Payer									
Saint Vincent Hospital ϵ	Teaching Hospital									
Metrowest Physician Services	Physician Organization									
Saint Vincent Medical Company	Physician Organization									
Tenet Healthcare has a fiscal year end date of December 31 and therefore their data is not due until April 10.										
Trinity Health		12	-1.8%	-0.4%	\$712.3	(\$75.5)	\$2,430.4	(\$1,632.7)	1.7	\$13,530.7
Mercy Medical Center	Community-High Public Payer	12	-3.5%	-2.3%	\$32.1	(\$7.8)	\$77.8	(\$38.9)	2.6	\$150.1
Mercy Inpatient Medical Associates	Physician Organization	12	-8.9%	-8.9%	\$0.2	(\$2.1)	\$0.2	\$0.0	-	-
Mercy Medical Group	Physician Organization	12	-51.0%	-51.0%	\$0.0	(\$2.4)	\$0.0	\$0.0	-	-
Mercy Specialist Physicians	Physician Organization	12	-85.2%	-85.2%	\$0.1	(\$2.1)	\$0.1	\$0.0	-	-
Pioneer Valley Cardiology Associates	Physician Organization	12	-66.1%	-66.1%	\$0.2	(\$5.4)	\$0.2	\$0.0	-	-
Riverbend Medical Group	Physician Organization	12	-29.6%	-29.6%	\$1.5	(\$19.4)	\$1.5	\$0.0	-	-
UMass Memorial Health Care		12	-2.0%	-0.8%	\$183.0	(\$23.0)	\$411.0	(\$228.0)	1.4	\$1,055.4
HealthAlliance-Clinton Hospital	Community-High Public Payer	12	-0.5%	1.8%	\$18.9	\$3.8	\$39.9	(\$21.0)	1.0	\$161.8
Marlborough Hospital	Community-High Public Payer	12	0.0%	2.0%	\$14.6	\$1.8	\$23.6	(\$9.0)	1.3	\$51.5
UMass Memorial Medical Center ϵ	Academic Medical Center	12	1.3%	2.3%	\$131.9	\$46.4	\$316.9	(\$185.0)	1.1	\$434.1
UMass Memorial Medical Group Inc.	Physician Organization	12	-7.7%	-7.3%	\$13.3	(\$44.4)	\$26.3	(\$13.0)	-	-
Valley Health System		12	5.1%	7.2%	\$25.4	\$16.2	\$31.1	(\$5.7)	1.6	\$0.5
Holyoke Medical Center	Community-High Public Payer	12	7.0%	9.5%	\$23.5	\$18.3	\$28.6	(\$5.1)	1.6	(\$10.8)
Western Mass Physician Associates	Physician Organization	12	-52.6%	-52.6%	\$0.2	(\$4.5)	\$0.2	\$0.0	-	-
Wellforce		12	-0.5%	1.4%	\$106.3	\$31.1	\$307.6	(\$201.3)	1.1	\$727.3
Lowell General Hospital	Community-High Public Payer	12	1.5%	2.6%	\$31.3	\$12.4	\$93.2	(\$61.9)	1.1	\$123.7
MelroseWakefield Health	Community Hospital	12	5.3%	8.5%	\$30.4	\$21.8	\$64.4	(\$34.0)	1.1	\$179.9
Tufts Medical Center ϵ	Academic Medical Center	12	1.9%	3.7%	\$27.6	\$38.2	\$123.7	(\$96.2)	1.1	\$184.7
Circle Health Physicians	Physician Organization	12	-9.9%	-9.9%	\$10.3	(\$6.1)	\$10.3	\$0.0	-	-
Hallmark Health Medical Associates	Physician Organization	12	-31.8%	-31.8%	\$4.5	(\$15.6)	\$6.0	(\$1.5)	-	-
Tufts Medical Center Community Care	Physician Organization	12	-77.4%	-77.4%	\$0.0	(\$5.2)	\$0.0	\$0.0	-	-
Tufts Medical Center Physician Organization	Physician Organization	12	-0.1%	-0.2%	\$2.2	(\$0.5)	\$9.9	(\$7.7)	-	-

All dollar values are in millions.

³ Sum of amounts reported as Other Operating Revenue: Federal COVID-19 Relief Funds and Other Operating Revenue: State & Other COVID-19 Relief Funds. This value does not include COVID-19 relief funds reported on other line items.

⁴ Sum of all COVID-19 relief funding reported regardless of line item upon which it was recorded. This amount includes funding reported as operating revenue and funding the entity expects to repay. Hospital Health System values represent the amount reported by the hospital health system or the sum reported by all affiliated entities within that system.

⁵ Sum of all COVID-19 relief funding reported by the entity as expected to be repaid based on current guidance, such as advance payments from Medicare and MassHealth.

⁶ Beth Israel Lahey Health merged on March 1, 2019.

ϵ Indicates a Hospital meets the High Public Payer threshold.

- Indicates current ratio and net assets are not collected from the physician organization.

REPORT NOTES

Description of Financial Metrics

Financial ratio analysis is one critical component of assessing an entity's financial condition. As part of this preliminary annual financial performance report, the Center for Health Information and Analysis (CHIA) collects data and reports on profitability, liquidity, and solvency metrics. The measures are used for hospitals and hospital health systems. The physician organizations only report on profitability metrics. Below are the descriptions and calculations for each.

Operating Margin

Operating income is income from normal operations of an entity, including patient care and other activities, such as research, gift shops, parking, and cafeteria, minus the expenses associated with such activities. Operating margin is a critical ratio that measures how profitable the entity is when looking at the performance of its primary activities.

Of note, some federal and state COVID-19 relief funds received are included in the entity's operating income.

Operating Margin = (Total Operating Revenue - Total Expenses Including Nonrecurring Gains Losses) / Total Unrestricted Revenue, Gains, and Other Support

Non-Operating Margin

Non-operating income or loss is net of expenses and includes items that are not related to operations, such as investment income, contributions, gains from the sale of assets, and other unrelated business activities.

Non-Operating Margin = Total Non-Operating Revenue / Total Unrestricted Revenue, Gains, and Other Support

Total Margin

This ratio evaluates the overall profitability of the entity using both operating surplus (or loss) and non-operating surplus (or loss).

Total Margin = Total Excess of Revenue, Gains, and Other Support Over Expenses / Total Unrestricted Revenue, Gains, and Other Support

COVID Funding in Operating Revenue

This metric sums all sources of COVID-19 relief funding that was reported as other operating revenue in the financial statements. This may include COVID-19 relief funding received under the CARES Act, HHS public health and social service emergency funds, private foundation grants or contributions, or state relief funds.

COVID Funding in Operating Revenue = Other Operating Revenue: Federal COVID-19 Relief Funds + Other Operating Revenue: State & Other COVID-19 Relief Funds

Total COVID Funding

This metric sums all sources of COVID-19 relief funding regardless of how that funding was reported in the financial statements. Some COVID-19 relief funding was reported as net patient service revenue, current liabilities, and long-term liabilities. Additionally, some relief funds are expected to be repaid. Detailed information on these reported funds is available in the databook.

COVID Funding Expected to be Repaid

This metric sums all sources of COVID-19 relief funding that the entity reported it expects to repay based on current guidance, such as advanced payments from Medicare and MassHealth. These funds are also included in the Total COVID Funding.

Current Ratio

This ratio measures an entity's ability to meet its current liabilities with its current assets. A ratio of 1.0 or higher indicates that current liabilities could be adequately covered by the entity's existing current assets.

Current Ratio = Total Current Assets / Total Current Liabilities

Other Measures

The following are individual line items from the hospital and health system standardized financial filing:

- **Total Excess of Revenue, Gains, and Other Support Over Expenses:** Total dollar amount of surplus or loss derived from all operating and non-operating activities
- **Net Patient Service Revenue (NPSR):** Revenue an entity would expect to collect for services provided, including premium revenue, less contractual allowances. NPSR is the primary source of revenue for an entity.
- **Other Operating Revenue: Federal COVID-19 Relief Funds:** Revenue an entity received from the federal government related to the COVID-19 pandemic.
- **Other Operating Revenue: State & Other COVID-19 Relief Funds:** Revenue an entity received from the state government or source other than the federal government related to the COVID-19 pandemic.
- **Net Assets:** For not-for-profit entities, this represents the difference between the assets and liabilities of an entity, comprised of retained earnings from operations and contributions from donors. Changes from year to year are attributable to two major categories: (1) increases and/or decreases in Unrestricted Net Assets, which are affected by operations, and (2) changes in Restricted Net Assets (restricted contributions). The for-profit equivalent of Total Net Assets is Owner's Equity.

Data Caveats

Beth Israel Lahey Health became financially consolidated in March 2019. Due to this, seven months of financial data was reported for the system and its affiliated hospitals and physician organizations representing the period from March 1 through September 30, 2019. For comparative purposes in Figure 5, their FY 2019 revenue and expenses were annualized to represent 12 months of data.

All COVID Funding metrics are presented as reported by the hospital or entity. For health systems that did not report COVID-19 relief funding at the system-level, the Total COVID Funding Reported metric is equal to the sum of the funding reported for each of their affiliated entities.

Fiscal Year End Information

This report displays twelve months of financial data for each health system, acute hospital, and affiliated physician organization regardless of an entity's fiscal year end date. Most entities included in this report have a fiscal year end date of September 30. Trinity Health (Mercy Medical Center) and Cambridge Health Alliance have a fiscal year end date of June 30.

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